

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

WILLARD L. SLOAN, EUGENE J.
WINNINGHAM, and JAMES L. KELLEY,
on behalf of themselves and a similarly
situated class,

Plaintiffs,

Case No. 09-cv-10918
Hon. Paul D. Borman
Magistrate Mona K. Majzoub

v.

Class Action

BORGWARNER, INC., BORGWARNER
FLEXIBLE BENEFITS PLANS and
BORGWARNER DIVERSIFIED
TRANSMISSION PRODUCTS, INC.,

Defendants.

EXHIBIT 12

TO

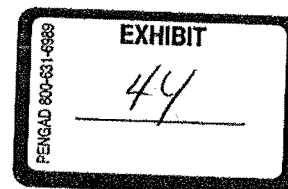
**PLAINTIFFS' MOTION
FOR SUMMARY JUDGMENT
AS TO LIABILITY**

Terms Submitted by the Parties: April 1, 2005

Tentative Agreement Modified and Approved by the Company: April 5, 2005

Amend the current labor agreement, effective April 1, 2005 through April 1, 2009, as follows:

1. Current active employees and those who retire during the term of the new labor agreement will be provided during such term the same medical care options as are provided to Muncie Salaried employees. (No change to existing retiree benefits for employees hired after 1/1/93.) A summary of the current terms and levels of benefits is attached. Levels of benefits subject to annual increase as follows: Year 1 (6/1/05 - 12/31/06) No Increase, Year 2 (1/1/07 - 12/31/07) Major Medical Out of Pocket increase up to 10% and Prescription Services increase as follows: Generic; BW Pharmacy - \$15, Express Scripts - \$20; Brand-Formulary; BW Pharmacy - \$35; Express Scripts - \$45; Non-Select; BW Pharmacy - \$50; Express Scripts - \$60, Year 3 (1/1/08 - 12/31/08) Major Medical Out of Pocket increase up to 10% and Prescription Services increase up to 10%, Year 4 (1/1/09 - 4/1/09) Major Medical Out of Pocket increase up to 10% and Prescription Services increase up to 10%. Employees who retire during the term of the agreement will pay a contribution (not subject to above increases) of \$50 per month for family coverage and \$30 per month for individual coverage.
2. Freeze hourly wage rates including a freeze of the COLA, deferral to retiree/survivor bonus remains at current level. 2nd-tier wage for new hires as proposed by Company.
3. Revise Overtime language to incorporate premium time to be paid at one and one-half times only after 40 hours worked in the standard workweek. For purposes of this provision "hours worked" includes recognized holidays, vacation, bereavement, temporary layoff, vendor shortage/quality issue, and acts of nature.
4. Implement Group Leader Concept as agreed.
5. Eliminate 2% year-end bonus.
6. Retention Bonus: Cap to receive \$5,000 at age 65. Those currently over \$5,000 will be frozen at current benefit. Eliminate partial benefit for those who leave prior to age 65.
7. Eliminate current profit sharing bonus or replace with plan that is based on plant performance and re-established by the company annually.
8. Modify the SUB requirement to continue health care for up to six months, subject to terms for coverage. Employees who are on layoff status as of the date of ratification will receive health care for the remainder of their 12 month period subject to the changes in health care options effective 6/1/05.
9. DB multipliers, Supplemental, Survivor and Special Age 65 benefits capped at current rates. Medicare Part D language as agreed.
10. A&S benefits: Cap at 33 weeks at current rates. Total permanent disability applicants continue until approved, up to 52 weeks.
11. Modify Disability Placement language as agreed.
12. Owner Operator may perform same work as Non-Production D & E as per the agreed to language.
13. Add language: Flume System Maintenance Program per the agreed to language.
14. Business Commitment Letter.
15. A grace period will be provided to employees who want to retire with the current 2000 agreement benefits through May 1, 2006. This applies only to those employees who are retirement eligible upon ratification or 60 days thereafter.



DTP013447